

Annual Statement

OF THE FINANCIAL CONDITION
OF THE CONCORD RETIREMENT BOARD
TO THE PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION
FOR THE YEAR ENDED 12/31/2019

Annual Statement for the Year Ended December 31, 2019 of the conditions and Affairs of the Concord Retirement Board.

Organized Under the Laws of the Commonwealth of Massachusetts to the Public Employee Retirement Administration Commission.

Date of Certificate 07/01/1941

Effective Date 07/01/1941

ADMINISTRATION OFFICE

55 Church Street
Street & Number

West Concord, MA 01742
City/Town, State and Zip Code

(978) 318-3066
Telephone Number

We, the undersigned, members of the Concord Retirement Board certify under penalties of perjury, that that we are the official board members of said retirement system, and that on the thirty-first date of December last, all of the herein-described assets were the absolute property of said retirement system, free and clear from any liens or claims thereon, except as stated, and the following statements, with the schedules and explanations therein contained, annexed, or referred to, are a full and correct exhibit of all of the assets, liabilities, income and disbursements, changes in fund balances, and the conditions and affairs of said retirement system on the said thirty-first date of December last, and for the year ended on that date, according to the best of our information, knowledge, and belief respectively.

Board Of Retirement

Ex-Officio Member

Mary M. Barrett, Ex Officio
(Name)

(Signature)

Appointed Member

Term Expires 05/31/2021

Kerry A. LaFleur
(Name)

(Signature)

Elected Member

Term Expires 10/29/2022

Peter J. Fulton (Chairperson)
(Name)

(Signature)

Elected Member

Term Expires 05/29/2020

Brian J. Whitney
(Name)

(Signature)

Member Appointed by Other Members

Term Expires 12/31/2021

Arnold D. Roth
(Name)

(Signature)

Investment Managers

Wellington Trust Company

280 Congress Street Boston, MA

Russell Investment Group

1301 Second Avenue, 18th Floor, Seattle WA 02109

Acadian Asset Management, LLC

260 Franklin Street, Boston, MA

Investment Consultant

Fiduciary Investment Advisors

100 Northfield Dr. Windsor, CT 06095

Custodian

Comerica Bank

MC 3462 411 Lafayette Blvd. Detroit MI 48226

ANNUAL STATEMENT BALANCE TESTS

1. ASSET BALANCE

Assets Previous Year	159,228,802.05
Income Current Year	37,667,360.15
Disbursements Current Year	12,133,553.92
Assets Current Year	184,762,608.28

2. ASSET DIFFERENCE

Assets Current Year	184,762,608.28
Assets Previous Year	159,228,802.05
Difference	25,533,806.23

3. INCOME DIFFERENCE

Income Current Year	37,667,360.15
Disbursements Current Year	12,133,553.92
Difference	25,533,806.23

4. FUND CHANGE DIFFERENCE

Total Fund Change Credits Current Year	42,438,546.04
Total Fund Change Debits Current Year	-16,904,739.81
Difference	25,533,806.23

Note: The difference as a result of tests 2, 3 and 4 should be the same.

Annual Statement of the Concord Retirement Board for the Year Ended December 31, 2019.

ASSETS & LIABILITIES

	2019	2018	2017
1. 1040 Cash	2,719,298.14	3,161,843.22	4,416,532.02
2. 1100 Short Term Investments	0.00	0.00	0.00
3. 1180 Fixed Income Securities	0.00	33,596,857.58	33,588,616.18
4. 1170 Equities	0.00	0.00	0.00
5. 1101 Pooled Short Term Funds	0.00	0.00	0.00
6. 1172 Pooled Domestic Equity Funds	25,207,136.12	47,669,612.15	52,239,715.62
7. 1173 Pooled International Equity Funds	7,630,051.58	3,731,557.17	4,339,963.23
8. 1174 Pooled Global Equity Funds	0.00	0.00	0.00
9. 1181 Pooled Domestic Fixed Income Funds	34,845,110.49	0.00	0.00
10. 1182 Pooled International Fixed Income Funds	0.00	0.00	0.00
11. 1183 Pooled Global Fixed Income Funds	0.00	0.00	0.00
12. 1193 Pooled Alternative Investments	2,688,830.45	2,089,087.24	1,724,973.97
13. 1194 Pooled Real Estate Funds	9,094,700.93	8,383,701.74	7,980,863.33
14. 1195 Pooled Domestic Balanced Funds	46,840,116.73	0.00	0.00
15. 1196 Pooled International Balanced Funds	0.00	0.00	0.00
16. 1197 Hedge Funds	9,031,119.20	0.00	0.00
17. 1198 PRIT Cash	0.00	0.00	0.00
18. 1199 PRIT Fund	46,897,535.55	60,393,600.12	61,954,860.19
19. 1550 Interest Due and Accrued	0.00	222,409.68	214,705.99
20. 1350 Prepaid Expenses	0.00	0.00	0.00
21. 1398 Accounts Receivable (A)	751.16	58,265.89	95,868.98
22. 1910 Land	0.00	0.00	0.00
23. 1920 Buildings	0.00	0.00	0.00
24. 1929 Accumulated Depreciation – Buildings	0.00	0.00	0.00
25. 2020 Accounts Payable (A)	(-192,042.07)	(-78,132.74)	(-140,258.42)
TOTAL	184,762,608.28	159,228,802.05	166,415,841.09
FUNDS			
1. 3293 Annuity Savings Fund	33,477,650.68	33,128,746.72	31,799,996.33
2. 3294 Annuity Reserve Fund	9,375,601.39	8,324,504.02	7,959,818.31
3. 3295 Military Service Fund	4,501.63	4,497.13	4,492.64
4. 3296 Pension Fund	440,837.37	-719,370.93	770,832.88
5. 3298 Expense Fund	0.00	0.00	0.00
6. 3297 Pension Reserve Fund	141,464,017.21	118,490,425.11	125,880,700.93
TOTAL ASSETS AT MARKET VALUE	184,762,608.28	159,228,802.05	166,415,841.09

(A) Specific details for Accounts Receivable and Accounts Payable are to be disclosed on Schedule A

Annual Statement of the Concord Retirement Board for the Year Ended December 31, 2019.

	Balance Dec. 31 Prior year	Receipts	Interfund Transfers	Disbursements	Balance Dec.31 Current Year
Annuity Savings Fund	33,128,746.72	4,210,699.19	-2,721,605.80	-1,140,189.43	33,477,650.68
Annuity Reserve Fund	8,324,504.02	267,323.79	2,599,141.89	-1,815,368.31	9,375,601.39
Pension Fund	-719,370.93	6,893,247.77	2,172,044.00	-7,905,083.47	440,837.37
Military Service Fund	4,497.13	4.50	0.00	0.00	4,501.63
Expense Fund	0.00	1,272,912.71	0.00	-1,272,912.71	0.00
Pension Reserve Fund	118,490,425.11	25,023,172.19	-2,049,580.09	0.00	141,464,017.21
Total All Funds	159,228,802.05	37,667,360.15	- 0 -	-12,133,553.92	184,762,608.28

List below all transfers:

Xfer from	Annuity Savings Fund	to	Annuity Reserve Fund	in the amt of	2,599,190.06	on acct of	Current year retirements
	Control Acct						
Xfer from	Annuity Savings Fund	to	Pension Reserve Fund	in the amt of	139,941.31	on acct of	Transfer 10-year inactives
	Control Acct		Control Acct				
Xfer from	Pension Reserve Fund	to	Pension Fund Control	in the amt of	2,172,044.00	on acct of	XFR per Funding Schedule
	Control Acct		Account				2018 and 2019
Xfer from	Pension Reserve Fund	to	Annuity Savings Fund	in the amt of	17,477.40	on acct of	To return members account
	Control Acct		Control Acct				from PRF to AS
Xfer from		to		in the amt of		on acct of	
Xfer from		to		in the amt of		on acct of	

Annual Statement of the Concord Retirement Board for the Year Ended December 31, 2019.

RECEIPTS

	2019	2018	2017
1. Annuity Savings Fund:			
(a) 4891 Members' Deductions	3,494,121.68	3,310,750.78	3,180,229.07
(b) 4892 Transfers from Other Systems	641,671.02	661,803.88	498,168.34
(c) 4893 Member Make Up Payments and Redeposits	34,966.24	60,596.97	63,432.29
(d) 4900 Member Payments from Rollovers	0.00	4,189.17	18,549.35
(e) Investment Income Credited to Members' Accounts	39,940.25	42,101.85	49,971.24
Subtotal	4,210,699.19	4,079,442.65	3,810,350.29
2. Annuity Reserve Fund:			
(a) 4750 Recovery of Annuity from Reinstatement	0.00	0.00	0.00
(b) Investment Income Credited to Annuity Reserve Fund	267,323.79	235,578.43	221,907.97
Subtotal	267,323.79	235,578.43	221,907.97
3. Pension Fund:			
(a) 4898 3(8)(c) Reimbursements from Other Systems	946,497.04	389,046.89	326,781.05
(b) 4899 Received from Commonwealth for COLA & Survivor Bft	28,414.73	60,551.60	22,854.49
(c) 4894 Pension Fund Appropriation	5,918,336.00	5,667,902.00	5,475,693.00
(d) 4840 Workers Compensation Settlement	0.00	0.00	0.00
(e) 4751 Recovery of Pension from Reinstatement	0.00	0.00	0.00
(f) 4841 Recovery of 91A Overearnings	0.00	0.00	0.00
Subtotal	6,893,247.77	6,117,500.49	5,825,328.54
4. Military Service Fund:			
(a) 4890 Contributions Received from Municipality	0.00	0.00	0.00
(b) Investment Income Credited	4.50	4.49	4.49
Subtotal	4.50	4.49	4.49
5. Expense Fund:			
(a) 4896 Expense Fund Appropriation	0.00	0.00	0.00
(b) Investment Income Credited to Expense Fund	1,272,912.71	1,166,196.66	967,639.24
Subtotal	1,272,912.71	1,166,196.66	967,639.24
6. Pension Reserve Fund:			
(a) 4897 Federal Grant Reimbursement	0.00	0.00	0.00
(b) 4895 Pension Reserve Appropriation	0.00	0.00	0.00
(c) 4822 Interest Not Refunded	2,483.43	10,838.73	5,539.33
(d) 4825 Miscellaneous Income	3,467.59	3,098.15	2,230.50
(e) Excess Investment Income	25,017,221.17	-7,252,131.55	20,551,864.50
Subtotal	25,023,172.19	-7,238,194.67	20,559,634.33
TOTAL RECEIPTS	37,667,360.15	4,360,528.05	31,384,864.86

Annual Statement of the Concord Retirement Board for the Year Ended December 31, 2019.

DISBURSEMENTS

	2019	2018	2017
1. Annuity Savings Fund:			
(a) 5757 Refunds to Members	151,412.17	165,746.52	217,651.20
(b) 5756 Transfers to Other Systems	988,777.26	942,533.21	518,554.38
Subtotal	<u>1,140,189.43</u>	<u>1,108,279.73</u>	<u>736,205.58</u>
2. Annuity Reserve Fund:			
(a) 5750 Annuities Paid	1,815,368.31	1,596,584.87	1,513,092.70
(b) 5759 Option B Refunds	0.00	68,801.53	57,315.05
Subtotal	<u>1,815,368.31</u>	<u>1,665,386.40</u>	<u>1,570,407.75</u>
3. Pension Fund:			
(a) 5751 Pensions Paid	7,359,175.33	6,711,874.01	6,493,890.05
Regular Pension Payments	6,455,980.02	5,845,294.14	5,601,219.75
Survivorship Payments	177,974.63	161,201.09	152,025.79
Ordinary Disability Payments	58,891.32	57,693.78	58,901.34
Accidental Disability Payments	498,581.42	477,000.24	513,218.41
Accidental Death Payments	167,747.94	170,684.76	168,524.76
Section 101 Benefits	0.00	0.00	0.00
(b) 5755 3(8)(c) Reimbursements To Other Systems	545,908.14	895,830.29	539,914.31
(c) 5752 COLAs Paid	0.00	0.00	0.00
(d) 5753 Chapter 389 Beneficiary Increase Paid	0.00	0.00	0.00
Subtotal	<u>7,905,083.47</u>	<u>7,607,704.30</u>	<u>7,033,804.36</u>
4. Military Service Fund:			
(a) 4890 Return to Municipality for Members who Withdrew Funds	0.00	0.00	0.00
Subtotal	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
5. Expense Fund:			
(a) 5118 Board Member Stipend	0.00	0.00	0.00
(b) 5119 Salaries	147,670.48	96,963.79	86,976.18
(c) 5120 Benefits	0.00	0.00	0.00
(d) 5304 Management Fees	922,154.76	763,706.51	684,657.83
(e) 5305 Custodial Fees	11,210.96	21,195.97	20,401.93
(f) 5307 Investment Consultant Fees	66,950.00	65,000.00	0.00
(g) 5308 Legal Expenses	0.00	13,239.37	6,918.75
(h) 5309 Medical Expenses	0.00	0.00	0.00
(i) 5310 Fiduciary Insurance	4,345.00	4,340.00	3,930.00
(j) 5311 Service Contracts	0.00	39,648.00	23,440.00
(k) 5312 Rent Expense	0.00	0.00	0.00
(l) 5315 Professional Services	11,970.00	11,850.00	11,496.00
(m) 5316 Actuarial Services	19,325.00	25,225.00	20,000.00
(n) 5317 Accounting Services	0.00	0.00	0.00
(o) 5320 Education And Training	2,632.35	1,331.98	3,830.51
(p) 5589 Administrative Expenses	81,750.67	121,996.05	98,841.40
(q) 5599 Furniture and Equipment	3,110.54	1,379.99	7,146.64
(r) 5719 Travel	1,792.95	320.00	0.00
(s) 5829 Depreciation Expense: Building	0.00	0.00	0.00
Subtotal	<u>1,272,912.71</u>	<u>1,166,196.66</u>	<u>967,639.24</u>
TOTAL DISBURSEMENTS	<u>12,133,553.92</u>	<u>11,547,567.09</u>	<u>10,308,056.93</u>

Annual Statement of the Concord Retirement Board for the Year Ended December 31, 2019.

INVESTMENT INCOME

Investment Income received from:	2019	2018	2017
(a) Cash (from Schedule 1)	88,091.06	67,828.81	43,054.34
(b) Short Term Investments (from Schedule 2)	0.00	0.00	0.00
(c) Fixed Income Securities (from Schedules 3A and 3C)	1,181,986.38	1,079,005.26	1,059,018.57
(d) Equities (from Schedules 4A and 4C)	0.00	0.00	0.00
(e) Pooled Funds (from Schedule 5)	2,335,267.34	2,873,845.85	6,147,734.67
(f) Commission Recapture and Securities Litigation	-10,832.28	0.00	0.00
4821 TOTAL INVESTMENT INCOME	3,594,512.50	4,020,679.92	7,249,807.58
Plus:			
4884 Realized Gains (Profits)	26,511,342.20	3,423,323.69	4,155,300.69
4886 Unrealized Gains (Increase in Market Value)	24,966,357.42	13,312,559.00	15,514,743.78
1550 Interest Due & Accrued on Fixed Income Securities at End Of Current Year	0.00	222,409.68	214,705.99
Less:			
4823 Paid Accrued Interest on Fixed Income Securities	650.14	86,615.98	135,830.95
4885 Realized Losses	95,017.33	4,510,213.08	427,094.91
4887 Unrealized Losses (Decrease in Market Value)	28,156,732.55	21,975,687.36	4,590,934.45
1550 Interest Due and Accrued on Fixed Income Securities Prior Year	222,409.68	214,705.99	189,310.29
Additional Adjustments:			
4701 Carried Interest Expense	0.00	0.00	0.00
4702 Equalization Expense	0.00	0.00	0.00
4703 Miscellaneous Investment Expenses	0.00	0.00	0.00
NET INVESTMENT INCOME	26,597,402.42	-5,808,250.12	21,791,387.44
Income required:			
Annuity Savings Fund (from Supplementary Schedule)	39,940.25	42,101.85	49,971.24
Annuity Reserve Fund	267,323.79	235,578.43	221,907.97
Expense Fund	1,272,912.71	1,166,196.66	967,639.24
Military Service Fund	4.50	4.49	4.49
TOTAL INCOME REQUIRED	1,580,181.25	1,443,881.43	1,239,522.94
Net Investment Income	26,597,402.42	-5,808,250.12	21,791,387.44
Less Income Required	1,580,181.25	1,443,881.43	1,239,522.94
EXCESS INCOME TO PENSION RESERVE FUND	25,017,221.17	-7,252,131.55	20,551,864.50

Annual Statement of the Concord Retirement Board for the Year Ended December 31, 2019.

MEMBERSHIP FOR CURRENT YEAR

ACTIVE MEMBERS

	Group 1	Group 2 & 4	TOTAL
Active Membership, Dec. 31st, Previous Year	432	85	517
Inactive Membership, Dec. 31st, Previous Year	149	9	158
Enrolled During Current Year	88	19	107
Transfers Between Groups	0	0	0
Reinstatements of Disabled Members	0	0	0
SUBTOTAL	88	19	107
Deduct:			
Death	0	0	0
Withdrawals	32	5	37
Retirements	13	6	19
SUBTOTAL	45	11	56
Active Membership, Dec. 31st, Current Year	461	95	556
Inactive Membership, Dec. 31st, Current Year	163	7	170

RETIRED MEMBERS, BENEFICIARIES & SURVIVORS

Retired, Beneficiary and Survivor Membership, Dec. 31st, Previous Year	241	67	308
Retirements During the Year			
Superannuation	12	6	18
Ordinary Disability	0	0	0
Accidental Disability	0	0	0
Termination Retirement Allowance	0	0	0
Beneficiary of Deceased Retiree	0	1	1
Survivor Benefits from Active Membership	1	0	1
SUBTOTAL	13	7	20
Deduct:			
Deaths of Retired Members	7	1	8
Termination of Survivor Benefits	2	0	2
Reinstatements of Disabled Pensions	0	0	0
SUBTOTAL	9	1	10
Retired Membership, Dec. 31st, Current Year			
Superannuation	223	53	276
Ordinary Disability	2	2	4
Accidental Disability	7	9	16
Termination	0	0	0
Beneficiaries from Accidental Deaths	0	5	5
Beneficiaries from Section 100	0	0	0
Beneficiaries from Section 101	0	0	0
Beneficiaries under Option C	6	3	9
Option (D) Survivor Allowance	7	1	8
Section 12B Survivor Allowance	0	0	0
Total Retired, Beneficiary and Survivor Membership, Dec. 31st, Current Year	245	73	318
TOTAL MEMBERSHIP			
Active, Inactive, Retired, Beneficiary and Survivor, Dec. 31st, Current Year	869	175	1,044

Annual Statement of the Concord Retirement Board for the Year Ended December 31, 2019.

Schedule A: Detail of Accounts Receivable and Accounts Payable

Accounts Receivable	Amount	Original Date
4751 Recovery of Pension from Reinstatement	0.00	
4840 Workers Compensation Settlements	0.00	
4841 Recovery of 91A Overearnings	0.00	
4891 Members Deductions	120.83	12/31/2019
4892 Transfers From Other Systems	0.00	
4893 Member Make Up Payments and Redeposits	630.33	12/31/2018
4900 Member Payments from Rollovers	0.00	
4898 3(8)(c) Reimbursements from Other Systems	0.00	
4899 Received from Commonwealth for COLA and Survivor Benefits	0.00	
4884 Realized Gain on Sale of Investments	0.00	
4894 Pension Fund Appropriation (Current Fiscal Year)	0.00	
4894 Pension Fund Appropriation (Previous Fiscal Year)	0.00	
4890 Contributions Received from Municipality on Account of Military Service	0.00	
4897 Federal Grant Reimbursement	0.00	
4895 Pension Reserve Appropriation	0.00	
Investments Sold But Funds Not Received (list individually)	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
TOTAL RECEIVABLES	751.16	
Accounts Payable		
5316 Actuarial Services	0.00	
5317 Accounting Services	0.00	
5320 Education and Training	0.00	
5757 Refunds to Members	0.00	
5756 Transfers to Other Systems	0.00	
5750 Annuities Paid	0.00	
5759 Option B Refund	0.00	
5751 Pensions Paid	0.00	
5755 3(8)(c) Reimbursements to Other Systems	0.00	
5752 COLAs Paid	0.00	
5753 Chapter 389 Beneficiary Increase Paid	0.00	
4885 Realized Loss on Sale of Investments	0.00	
4890 Return to Municipality for Members Who Withdrew Their Funds	0.00	
5118 Board Members' Stipend	0.00	
5119 Salaries	40,174.06	12/31/2019
5304 Management Fees	149,830.28	12/31/2019
5305 Custodial Fees	1,556.28	12/31/2019
5307 Investment Consultant Fees	0.00	
5308 Legal Expenses	0.00	
5309 Medical Expenses	0.00	
5310 Fiduciary Insurance	75.00	
5311 Service Contracts	0.00	
5312 Rent Expense	0.00	
5315 Professional Services Expense	0.00	
5589 Administrative Expenses	406.45	
5599 Furniture and Equipment	0.00	
5719 Travel	0.00	
Investments Purchased But Not Paid For (list individually)	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
TOTAL PAYABLES	192,042.07	